

**AGENDA
SUBCOMMITTEE No. 1
ON HEALTH AND HUMAN SERVICES**

ASSEMBLYMEMBER DAVE JONES, CHAIR

**WEDNESDAY, APRIL 14, 2010
STATE CAPITOL, ROOM 4202
1:30 P.M.**

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SPECIAL OVERSIGHT ITEM - SCENARIOS TO ILLUSTRATE CUMULATIVE BUDGET IMPACT

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Scenarios to Illustrate Cumulative Impact of Adopted Reductions in 2009-10 and Proposed Reductions and Eliminations in Governor's Budget for 2010-11

- 1. Low-Income Family Served by CalWORKs and Medi-Cal. Mary has two children and is on CalWORKs. One child is a disabled adolescent receiving SSI benefits and IHSS services and the second child is under two. The family receives Medi-Cal services.**

Departments and programs to present on possible cumulative impact on the adult and children in these programs:

- DHCS – Medi-Cal
- DSS – CalWORKs, Child Welfare Services, Foster Care, Proposition 10, THP+
- DMH – EPSDT

Responders:

- **Frank Mecca** (Executive Director, County Welfare Directors Association)
- **Mike Herald** (Legislative Advocate, Western Center on Law and Poverty)
- **Kelly Hardy** (Director Health Policy, Children Now)

- 2. Senior, Disabled Recipient. Ed is 70 years old and receives SSI/SSP and IHSS services. His wife, Linda, is 65 years old and receives ADHC services. Both once received services through their AAA.**

Departments and programs to present on cumulative impact on this recipient:

- DHCS – Medi-Cal, ADHC
- DSS – SSI/SSP, IHSS
- CDA – Linkages, Brown Bag, Senior Companion, Alzheimer's Day Care Resource Centers, and Respite

Responders:

- **Elizabeth Landsberg** (Legislative Advocate, Western Center on Law and Poverty)
- **Testimony already taken by Diane Kalijian 3/24** (Director, Area Agency on Aging; Adult and Aging Services Director, Sonoma County Human Services Department)

- 3. Dually Diagnosed Mental Health and DDS Consumer. Veronica is a dually diagnosed consumer receiving services by both the DDS and DMH. Veronica is also a substance abuser.**

Departments and programs to present on cumulative impact on this consumer:

- DDS – Regional Centers
- DSS – IHSS
- DMH & MHSOAC – Proposition 63
- ADP

Responders:

- **Pat Ryan** (Executive Director, California Mental Health Directors Association)
- **Evelyn Abouhassan** (Sr. Legislative Advocate, Disability Rights California)
- **Margaret Dooley-Sammuli, Deputy State Director, Southern California, Drug Policy Alliance**

4170 DEPARTMENT OF AGING

ISSUE 1: GOVERNOR VETOED FUNDS IN 2009-10 FROM AGING PROGRAMS

The Subcommittee reviewed the reductions that were adopted as part of the 2009-10 enacted Budget for programs administered by the California Department of Aging (CDA) and Area Agencies on Aging at its March 24, 2010 hearing. The table below displays the ultimate defunding of various programs administered by CDA. As shown in the table's columns, the budget agreement sent to the Governor, as approved by the Legislature, made various, deliberate reductions and some eliminations of General Fund to these programs. The Governor then, through his veto authority, acted unilaterally to further reduce General Fund, thus eliminating it from the programs consistent with his original, pre-agreement May Revise proposals. There was not intention, nor the agreement with the administration, to further reduce these programs, thus eliminating all General Fund support for some programs for which funding was not intended to be further reduced.

Due to the vetoes and the Governor's ongoing intention to eliminate these programs, in the absence of a legislative action to fund them consistent with the budget agreement as sent to the Governor in July 2009, they do not appear in administration's proposed 2010-11 Budget and would not be subject for discussion going forward. Legislative action is necessary if there is a desire to discuss whether or not funding in these programs will be at all considered as part of the ultimate 2010-11 Budget Act.

It is for this purpose that the issue is being brought forward to the attention of the Subcommittee.

Program	Original 09-10 GF Appropriation	Legislative Action	Governor's Veto	Total 09-10 GF Reduction *	2010-11 GF in these Programs
Alzheimer's Day Care Resource Center	3,787,000	-1,200,000	-1,640,000	-2,840,000	0
Brown Bag	541,000	0	-405,000	-405,000	0
Linkages	7,935,000	-2,421,000	-3,958,000	-6,379,000	0
Respite	317,000	-238,000	0	-238,000	0
Senior Companion	317,000	-238,000	0	-238,000	0
Local Admin. for these CBSPs	935,000	-117,000	-157,000	-274,000	0
State Admin. for these CBSPs	211,000	0	-106,000	-106,000	0

* Note that these numbers reflected nine months of funding reductions because of anticipated time for programs to ramp-down.

BACKGROUND

At the March 24, 2010 hearing, the implications of the cuts as taken were discussed and testimony was received from the Area Agencies on Aging, represented by the Sonoma County AAA Director, Diane Kalijian. The impact information included in that agenda is repeated here for the convenience of the Subcommittee:

Linkages: Prior to the elimination of its funding, Linkages was expected to serve as a case management program for approximately 5,005 elderly and younger adults who had functional impairments and were at-risk of institutionalization. In May, 2008, the program waiting list included approximately 2,100 people.

Alzheimer's Day Care Resource Centers (ADCRC): Prior to the elimination of this funding, 57 ADCRCs received infrastructure support so that Adult Day Care and Day Health Care Centers could serve 3,200 individuals with dementia.

Brown Bag Program: Prior to the elimination of its funding, the Brown Bag program relied on the assistance of 3,900 volunteers and 600 sites to provide free surplus and donated fruits, vegetables, and other foods to 27,000 low-income seniors. The program's \$541,000 local assistance budget was supplemented by \$13 million in local matching funds.

Respite Purchase of Services (POS): Prior to the elimination of its funding, the Respite POS program provided temporary relief to caregivers of frail elderly or impaired adults who were at risk of institutionalization.

Local Actions: Local Area Agencies on Aging (AAAs), which administered these programs in the past, have flexibility to continue these or similar programs if they can use federal Older Americans Act and/or other funds. For the Linkages program, AAAs may also be eligible to continue receiving a limited amount of funding from local handicap parking fines. AAAs electing to continue programs similar to these CBSPs using non-state funds are not required to meet state standards for the programs. According to a CDA survey conducted in November 2009:

- 25 AAAs planned to continue some form of ADCRC programs and eight discontinued the program.
- 17 AAAs continued Brown Bag programs and seven discontinued them.
- 17 continued Linkages programs and 16 discontinued them.
- Seven continued Respite programs and 21 discontinued them.
- Three continued Senior Companion programs and 12 discontinued them.

Staff Recommendation:

Staff recommends taking action to reverse the vetoes for the 2010-11 appropriations for the Linkages Program and Community Based Services Programs, to align these appropriations for Budget Year with what was sent to the Governor by the Legislature in July 2009. Staff should be directed to work with the Department of Finance on the technical aspects to realize this change.

ISSUE 2: MEDICARE BENEFICIARY OUTREACH AND ASSISTANCE PROGRAM

The California Department of Aging (CDA) requests federal funding authority for 2010-11 of \$672,000 for the second year of its Medicare Improvements for Patients and Providers Act (MIPPA) Beneficiary Outreach and Assistance Program. The first half of the \$1.3 million total grant was allocated for expenditure in 2009-10. No state matching funds are required.

BACKGROUND

The federal government has awarded a two-year, non-competitive grant to CDA. The purpose of the funding is to expand enrollment of California's 4.4 million Medicare beneficiaries in the Prescription Drug Benefit Low Income Subsidy Program (LIS) and Medicare Savings Programs (MSP). Local Area Agencies on Aging (AAA), Health Insurance Counseling Programs (HICAP), and Aging and Disability Resource Centers are conducting the grant-funded work, which varies based on local need.

The federal government requires states to submit quarterly data on the number of low-income subsidy applications by beneficiaries as a result of assistance from these organizations. From July 1, 2009 to January 28, 2010, 1,414 applications for California beneficiaries were submitted. This constitutes 22 percent of the state's two-year goal of 6,475 applications. CDA states that it anticipates achieving the statewide performance benchmarks in time to secure second year funding.

Possible Questions

Department, please describe the performance benchmarks and explain how CDA expects to reach these to secure second year funding.

Department, what are the major strategies to secure a higher number of applications? What are the major impediments toward this goal?

Staff Recommendation:

Staff recommends approval of \$672,000 in related 2010-11 federal funds authority for CDA to allow the state to draw down these grant funds from the federal government.

ISSUE 3: FEDERAL GRANT FOR SERVICES TO FAMILIES IMPACTED BY ALZHEIMER'S DISEASE AND RELATED DEMENTIAS

CDA requests federal funds authority of \$332,000, of which \$17,000 is state operations and the balance is local assistance, in 2010-11, \$333,000 in 2011-12 (\$17,000 for state operations), and \$106,000 in 2012-13 (\$4,000 for state operations). The requested authority for these fiscal years, plus additional funds the Department is seeking for the current fiscal year through a letter to the Joint Legislative Budget Committee, totals \$996,132 that the federal Administration on Aging has awarded California under a three-year, competitive demonstration grant.

Federal law requires state grantees to provide a match (cash or in-kind) of 25, 35, and 45 percent in the first, second, and third years of the grant period, respectively. According to CDA, California Alzheimer's Association chapters have agreed to provide these required matches. The Department is not requesting any General Fund resources for this purpose.

BACKGROUND

The goal of the federal grant is to replicate an evidence-based supportive services program to assist caregivers of persons with dementia that was initially conducted in New York. The program in New York, called the New York University Caregiver Intervention, included individual and family counseling, as well as support groups and ad hoc telephone counseling, for caregiver spouses. These interventions resulted in substantially reduced or delayed nursing home placements, at an average annual cost of \$65,000 nationally in 2006, for individuals with dementia.

CDA estimates that 330 California families will directly benefit from the care consultation and referrals provided by Alzheimer's Association chapters and community service organizations as a result of this grant funding.

Possible Questions

Department, what constitutes the match requirement locally? Can you please describe what this has tangibly materialized?

Department, what is the interaction of the vetoed General Fund for Alzheimer's Day Care Resource Centers and the goals of this endeavor?

Staff Recommendation:

Staff recommends approval of this proposal to allow CDA to receive and utilize these federal grant funds.

4200 DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

With a total budget of \$584.5 million (\$181.5 million GF) and 327 authorized staff positions in 2009-10, and a proposed budget of \$592.4 million (\$178.8 GF) in 2010-11, ADP plans, develops, implements, and evaluates a statewide system of alcohol and other drug, as well as problem-gambling, prevention, treatment, and recovery services.

ISSUE 1: TREATMENT SERVICES FOR NON-VIOLENT DRUG OFFENDERS

The Subcommittee heard the issue of the Governor's proposed elimination of all remaining General Fund for treatment services, through elimination of the remaining \$18 million in the Offender Treatment Program, at its March 24 global hearing on health and human services reductions. This proposal is again being put forward before the Subcommittee for consideration, with additional information on treatment services offered generally in the community to offer context around this decision.

BACKGROUND

In recent years prior to 2009-10, ADP provided funding for community-based diversion programs for drug offenders through the Substance Abuse and Crime Prevention Act (SACPA or Proposition 36), Offender Treatment Program (OTP), and county-administered drug court programs. In 2009-10, funding for Proposition 36 was eliminated. The Governor's budget for 2010-11 continues to provide no funding for Proposition 36. The Governor's budget for 2010-11 also proposes to eliminate the remaining \$18.0 million GF for OTP. Finally, the Governor's budget proposes to continue \$27.9 million GF in funding through ADP for drug court programs.

Proposition 36 and OTP.

Proposition 36 passed in 2000 and changed state law so that certain adult offenders who use or possess illegal drugs are sentenced to participate in drug treatment and supervision in the community rather than being sentenced to prison or jail, supervised on probation, or going without treatment. From 2001-02 until 2005-06, Proposition 36 also provided annual appropriations of \$120 million GF for related substance abuse treatment programs.

OTP was established by Chapter 75, Statutes of 2006 (AB 1808, Committee on Budget) to serve the same individuals as Proposition 36, but with some programmatic changes to improve treatment outcomes. To be eligible to receive OTP funding, counties are required to provide a ten percent local match to state funds and to meet specified eligibility requirements, including dedicated court calendars and the presence of drug courts that accept felony defendants.

The funding history for Prop. 36 and OTP is displayed below. Again, although the programs operate separately, they essentially offered the same treatment options to clients, so they should be considered in tandem and part of the same treatment safety net for non-violent drug offenders.

Fiscal Year	Prop. 36 Funding (in millions)	Offender Treatment Program Funding (in millions)	Total Funding in Both Programs (in millions)
2000-01	\$60	--	\$60
2001-02	\$120	--	\$120
2002-03	\$120	--	\$120
2003-04	\$120	--	\$120
2004-05	\$120	--	\$120
2005-06	\$120	--	\$120
2006-07	\$120	\$25	\$145
2007-08	\$100	\$20	\$120
2008-09	\$90	\$18	\$108
2009-10	\$0	\$18	\$18
2010-11	\$0	As Proposed by Gov -- \$0	\$0

Funding Reduced in the 2009-10 Budget, Use of One-Time Byrne-JAG Funds

Intended to Mitigate Reduction. As represented in the chart above, funding for Proposition 36 and OTP combined reached a high in 2006-07 of \$145 million GF. In 2008-09, the total was \$108 million GF. However, the 2009-10 budget eliminated all funding for Proposition 36, while continuing \$18 million GF, plus \$45 million in one-time federal Edward Byrne Memorial Justice Assistance Grant (Byrne-JAG) stimulus funds, for OTP. ADP and the California Emergency Management Agency (CalEMA), which administers the Byrne-JAG funds, have determined that the counties have until March 31, 2011 to expend those stimulus funds. As of mid-March 2010, none of the Byrne-JAG funds for OTP had yet been distributed to the counties. ADP has stated, however, that counties will be able to use the funds to back-bill for services provided from October 2009.

Cost-Benefit Analysis of Proposition 36. Prior to the elimination of funding for the program, the University of California, Los Angeles (UCLA) conducted cost-benefit studies related to Proposition 36. The most recent analysis by UCLA concluded that every \$1 of Proposition 36 spending resulted in net savings to state and local governments of \$2 to \$4. Overall cost savings were largely driven by avoided jail and prison expenditures. More than 30,000 offenders annually entered treatment under Proposition 36, and around one-third completed treatment.

Proposition 36 Sentencing Laws and Impacts of Funding Elimination. Although the 2009-10 budget eliminated state funding for Proposition 36 programs, the

sentencing laws created by the Act still remain in place. According to an informal survey conducted by the County Alcohol and Drug Program Administrators Association of California (CADPAAC), far fewer individuals statewide are now receiving treatment than in previous years, individuals are receiving lower levels of care, and the wait to receive treatment is significantly longer.

Background on Drug Court Programs. Generally, drug court programs combine judicial monitoring with intensive treatment services over a period of about 18 months. Individuals who qualify are usually nonviolent drug offenders. As of October 2009, ADP provided funding that supported 135 drug courts in 53 of California's 58 counties. Based on 2008 data from the Administrative Office of the Courts (AOC), ADP estimates that there were a total of 203 drug courts in California at the time. Adult drug courts provide access to treatment for offenders in criminal, dependency, and family courts while minimizing the use of incarceration. Dependency drug courts address substance abuse issues that contribute to removal of children from the care of their parents. Finally, juvenile drug courts incorporate the same underlying components of adult drug courts, while also including additional elements like more intensive supervision.

National studies have documented that drug courts are more effective than traditional criminal prosecution methods. Among their findings are that drug court participation reduces recidivism. ADP also documents, based on 2007-08 data, that every \$1 spent on treatment through adult drug courts averts \$3 in prison-day costs. At the time, the Department estimated that participants who completed adult drug court programs between 2003-04 and 2007-08 averted approximately \$69.4 million in total prison-day costs. In addition, 6,427 days of foster care were avoided due to the successful completion of dependency drug court programs, and 3,565 days in correctional facilities were avoided by juveniles who completed juvenile drug court programs.

Possible Questions

Department, what is the status of the \$45 million in Byrne-JAG funding for OTP that was authorized in 2009-10? How much has been distributed to the counties to date? What has caused the delays in getting the funds to the counties?

Department, when do you anticipate that counties will provide services paid for by these Byrne-JAG funds? Are some already doing so in 2009-10 in anticipation of receiving these funds?

Department, how are courts applying the Proposition 36 sentencing laws if or when treatment is unavailable?

Staff Recommendation:

Staff recommends holding open the proposed elimination of funding for the Offender Treatment Program.

ISSUE 2: SUBSTANCE ABUSE PREVENTION & TREATMENT (SAPT) FUNDING AND MAINTENANCE OF EFFORT (MOE) REQUIREMENT

In 2010-11, ADP estimates that the state will receive \$258.8 million (\$238.2 million for local assistance and \$18.6 million for state operations) in federal SAPT block grant funding. As a condition of receiving these funds, the federal government requires the state to spend \$246.2 million to meet its related MOE requirement. The Governor's budget for 2010-11 instead proposes \$197.9 million GF for non-federal substance abuse-related expenditures, which falls \$48.3 million short of this SAPT MOE requirement. (Note: These figures could change in the event that Federal Medical Assistance Percentage (FMAP) policies differ from those assumed by the Governor's budget.)

BACKGROUND

ADP intends to request a waiver from the federal government for any enacted 2010-11 MOE shortfall. If the federal government does not grant that waiver, the state is at risk of losing one dollar of federal funding for every state dollar below the required level.

The federal government establishes the state's MOE based on a two-year average of state expenditures. Federal law and regulations allow for a waiver of MOE requirements when a state faces "extraordinary economic conditions," defined as "a financial crisis in which the total tax revenue declines at least one and one-half percent, and either unemployment increases by at least one percentage point, or employment declines by at least one and one-half percent." 45 C.F.R. 96.134(b).

In 2008-09, California fell short of its MOE requirement by \$11 million for the first time. In January, 2010, the federal government granted a waiver to the state for this shortfall. The 2009-10 MOE shortfall was much larger at \$96.7 million. ADP will apply for a waiver of this shortfall as well.

Possible Questions

Department, what are the causes for the recent SAPT MOE shortfalls? What is the status and timing of related waiver requests to the federal government?

Department, how likely is it that the state could again receive a waiver for the proposed 2010-11 MOE shortfall of \$48.3 million?

Staff Recommendation:

No action is required at this time. The Department's budget will again be reviewed at May Revision, where this MOE issue will again be discussed.

ISSUE 3: WOMEN AND CHILDREN'S RESIDENTIAL TREATMENT SERVICES**BACKGROUND**

Funds are appropriated in ADP's budget annually for Women and Children's Residential Treatment Services (WCRTS). These funds are allocated to continue funding existing perinatal treatment programs that were created with grants, since expired, from the federal Center for Substance Abuse Treatment. The funds are subject to the requirements set forth in the Perinatal Services Network Guidelines of 2004 and cannot be used for purposes of match in the Drug Medi-Cal program. The WCRTS funds are exempt from the ten percent county match requirement and applies to State funding provided to replace the expired federal grants and not to any subsequent program expansion.

WCRTS programs were funded at \$5.767 million in 2009-10 for existing providers, of which there were nine. One of the nine providers, which was drawing down \$667,000 of the total appropriation, closed. The 2009-10 Budget Bill language states that "existing" providers will be funded and that the allocation shall be passed through to "the designated nine residential treatment programs in each county, respectively." When the one provider ceased operations in the current year, the overall funding was reduced to accommodate this exit and the remaining funds for the other providers were maintained at their historic levels. An alternative administrative approach could have been to maintain the overall funding base and instead allocate the \$667,000 dollars that went to the exiting provider to the remaining eight providers.

The administration's proposed 2010-11 Budget includes a reduced overall appropriation of \$5.1 million and amends the Budget Bill Language to state that that now the allocation shall be passed through to "the designated eight residential treatment programs in each county, respectively."

The administration's proposal represents an overall cut to the services provided through this program for families in crisis and in need of treatment. Providers in this field have noted additional demands on their services within the environment of diminished alcohol and drug treatment services and increased pressures on low-income families in need.

Staff Recommendation:

Staff recommends consideration of adoption of an amendment to Provision 2 of Item 4200-104-0001 of the 2010-11 Budget Bill to delete the word "eight" with the intention of having the appropriation apply to all existing providers, with the amount of the appropriation raised to the original allocation of \$5.767 million for these remaining providers.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

ISSUE 1: FEDERAL ARRA WEATHERIZATION FUNDS

On February 17, 2009, the federal government enacted the American Recovery and Reinvestment Act of 2009 (Recovery Act) for purposes that include preserving and creating jobs, promoting economic recovery, and assisting those most affected by the recession. One general principle of the Recovery Act is that the funds be used to achieve its purposes as quickly as possible consistent with prudent management. The Recovery Act designated a total of \$5 billion for the national Weatherization Assistance for Low-Income Persons (Weatherization) program, of which California was awarded \$186 million. The Recovery Act also designated \$1 billion for the Community Services Block Grant (Recovery Act Block Grant), of which California was awarded \$89 million. Both awards were made to the state agency charged with administering the programs for California, the Department of Community Services and Development (CSD).

BACKGROUND

The U.S. Department of Energy on July 28, 2009 made available to California nearly \$93 million of the \$186 million awarded for weatherization purposes. To gain access to the remaining \$93 million, CSD has until September 30, 2010 to meet certain performance milestones issued by Energy.

The California State Auditor released a Bureau of State Audits report in February, 2010 regarding this implementation and included the following key findings:

- Delays in weatherizing homes that could jeopardize CSD's ability to reach, by the September 30, 2010 deadline, a key performance milestone established by the U.S. Department of Energy (Energy) as necessary to access \$93 million in Recovery Act Weatherization program funds.
- Eight of 36 service providers were ready to begin weatherizing homes as of December 22, 2009.
- Increases in the average cost to weatherize a home could affect the number of qualified low-income persons CSD is able to assist using Recovery Act funds.
- Improvement is needed in CSD's cash management practices to meet federal requirements for both the Weatherization and the Recovery Act Block Grant programs.
- That it is CSD's intent to use existing monitoring procedures for the Recovery Act Block Grant could result in a large number of subrecipients receiving no on-site

monitoring until well after Recovery Act funds are spent, increasing the risk that these funds could be misused.

The BSA recommendations at the time included the following:

- Contact Energy to amend its plan for administering the Weatherization program and seek an extension for fulfilling the performance milestones.
- Improve its cash management procedures in the following ways:
- Ensure it has the authority to provide advances as outlined in policy for the Weatherization program.
- Define what constitutes a financial hardship allowing subrecipients to qualify for an advance in the Recovery Act Block Grant Program.
- Create a timeline and risk-based plan to ensure that recipients of the Recovery Act Block Grant are appropriately monitored and the potential for fraud, waste, and abuse is minimized.

The full report can be found at <http://www.bsa.ca.gov/pdfs/reports/2009-119.2.pdf>

The CSD responded to the report, and in a subsequent meeting with legislative staff, that it was well underway in executing contracts with providers, resolving issues associated with regions where there were few or no contractors, creating monitoring tools, and comprehensively addressing the points raised in the Auditor's report. CSD submitted the following table outlining its projections on weatherized units.

	2010				2011				2012
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
Total Planned Units	3,912	5,054	6,179	5,635	4,965	5,215	5,068	4,338	2,784
% of Total Units	9%	12%	14%	13%	12%	12%	12%	10%	6%
Total Planned Units at Benchmark on Sep-2010			15,145	Total Planned Units for Grant					43,150
Percentage of overall unit projection			35%						

Possible Questions

Department, how many homes have been weatherized to date? What is the current outlook for the September 30, 2010 date today?

Department, has California's program plan been approved by the federal government? Do its projections track those that were submitted in response to the BSA report?

Department, what are the current issues with contracts and the establishment of new regional contractor as noted in the response to the BSA report?

Staff Recommendation:

Staff recommends a request to the Department to submit a summary update at May Revision of its progress toward responding to the BSA recommendations, with a report on how many additional homes have been weatherized through the use of the ARRA funds and updated projections on outcomes to reach the September 30, 2010 threshold as included in California's approved state plan.

5160 DEPARTMENT OF REHABILITATION

With a total budget of \$435.6 million (\$52.9 million GF) in 2009-10 and a proposed budget of \$419.0 million (\$56.5 million GF) in 2010-11, DOR works in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living, and equality for Californians with disabilities.

ISSUE 1: ELECTRONIC RECORDS SYSTEM (ERS) PROJECT

DOR requests, in a budget change proposal, an increase of \$5.1 million in federal funds authority in 2010-11 to fund the fourth year (out of five anticipated years) of the ERS project. The Department is not requesting GF resources or any new positions associated with this proposal, but does anticipate higher overall project costs as the result of a delay in project completion, largely due to contractor costs.

BACKGROUND

ERS is a commercial, off-the-shelf case management system. DOR intends to use ERS in place of its current case management system for the vocational rehabilitation services program, which is called the Field Computer System (FCS). According to the Department, FCS is outdated and unable to integrate with recent software applications, such as Microsoft Word. DOR anticipates that ERS will improve the accessibility and efficiency of its vocational rehabilitation services. ERS-related activities in 2010-11 will include system integration, testing, and implementation. DOR originally expected to complete ERS by March 2011. The Department now anticipates that ERS will be completed five months later, in August 2011. According to DOR, the delay is the result of contract approval and budget enactment delays, as well as the impact of state furloughs.

The vocational rehabilitation services program assists Californians with disabilities to obtain and retain employment and maximize their ability to live independently in their communities. DOR develops, purchases, provides, and advocates for these programs and services, with priority on serving persons with the most significant disabilities.

Possible Questions

Department, please explain the contract approval delays that have led to this request.

Staff Recommendation:

Staff recommends approval of the requested federal funds authority for 2010-11.

ISSUE 2: TRAUMATIC BRAIN INJURY (TBI) PROGRAM

DOR requests, in a budget change proposal, an increase of \$1.3 million (\$1.2 million special funds from criminal and vehicular offense fines and \$170,000 federal funds) and 2.0 positions to administer the TBI program. This request results from the passage of AB 398 (Monning, Chapter 439, Statutes of 2009), which transitions the TBI program from the Department of Mental Health (DMH) to DOR.

BACKGROUND

DOR requests, in a budget change proposal, an increase of \$1.3 million (\$1.2 million special funds from criminal and vehicular offense fines and \$170,000 federal funds) and 2.0 permanent positions to administer the TBI program. This request results from the passage of AB 398 (Monning, Chapter 439, Statutes of 2009), which transitions the TBI program from the Department of Mental Health (DMH) to DOR.

TBI refers to any injury to the brain or its parts sustained after birth from external force, such as a fall or a blast, which results in cognitive, psychological, neurological, or anatomical changes in brain functioning. According to the analysis of AB 398 by the Assembly Health Committee, approximately 350,000 individuals with acquired TBI reside in California.

DMH currently administers the TBI program, which began in 1990 as a demonstration project, with 1.0 allocated staff position. The program funds post-acute care services for persons with TBI, including supported living and community reintegration services, vocational supports and community education. The sponsors of AB 398 believed that DOR's focus and experience would be a better fit for administering the program.

Possible Questions

Department, what was the administration's estimate of staff that would be required to implement AB 398? How did this lead to the request for two positions given that these functions were executed at the DMH with one position?

Staff Recommendation:

Staff recommends approval of one permanent position and one two-year limited-term position for the purposes associated with this request. This second limited-term position is in place of the permanent position requested by the department.